



Central Issuance of Driver Licenses & Implementation of U.S. REAL ID Act

Presentation to Joint Legislative Transportation Oversight Committee

February 27, 2008



Driver License Changes in 2008-2011

Overview of changes in Driver License issuances

- ❖ ***Central issuance of driver licenses & ID cards effective July 1, 2008***
- ❖ ***Mandated by NCGS 20-7(f)(5)***
- ❖ ***U.S. REAL ID Act effective May 11, 2008***
- ❖ ***Legacy licenses will be accepted by the federal government from States who request an extension***



Driver License Changes in 2008-2011

Overview of changes in Driver License issuances (continued)

- ***North Carolina has applied for and has been granted an extension by the U.S. Dept. of Homeland Security***
 - ❖ ***Deadline to be materially compliant with REAL ID Act is Jan. 1, 2010***
 - ❖ ***Deadline for full compliance is May 11, 2011. NGA voted 51-0 not to proceed with compliance until federal funds are available to pay for this mandate.***



Central Issuance

↓ **NCGS 20-7(5) “License to be sent by mail. – The Division shall issue to the applicant a temporary driving certificate valid for 20 days, unless the applicant is applying for renewal by mail under subdivision (4) of this subsection. The temporary driving certificate shall be valid for driving purposes only and shall not be valid for identification purposes. The Division shall produce the applicant’s drivers license at a central location and send it to the applicant by first-class mail at the residence address provided by the applicant.”**



Central Issuance (continued)

- ↓ ***The Exception – NCGS20-7(f)(4) – “Renewal by Mail – The Division may renew by mail a drivers license issued by the Division to a person who meets any of the following descriptions:***
- ↓ ***a. Is serving on active duty in the armed forces of the United States and is stationed outside this State.***
 - b. Is a resident of this State and has been residing outside the State for at least 30 continuous days.”***



Key Points of Central Issuance

- ✓ ***Applicants who successfully meet criteria for license (learner's permit, original, renewal, duplicate, etc.) will receive a non-photo temporary driving certificate printed on secure paper***
- ✓ ***SSN verification completed in field***
- ✓ ***Temporary Driving Certificate will be valid for 20 days and will be marked that it is temporary and not valid as a form of identification***
- ✓ ***Applicants for an identification card will not receive a temporary document. They will only receive the final centrally-issued card.***



Key Points of Central Issuance

- ✓ ***Customer's photo will be captured digitally at each Driver License office.***
- ✓ ***Applicants will be able to retain their previous license (from North Carolina or previous state of residency) as a form of identification until their new license is mailed.***
- ✓ ***After preliminary approval by examiner in field office, applicant information will be transmitted to a team of verifiers and fraud investigators in Raleigh***
- ✓ ***Team consists of 36 new positions authorized by General Assembly in 2007***



Key points of central issuance (continued)

- ✓ ***Customer image is mined and matched against database of images using face recognition technology to ensure there is no attempt at fraud***
- ✓ ***Applicants with alien status will be checked using SAVE database (Systematic Alien Verification for Entitlements). Examiners will conduct primary check; Verification Group will conduct secondary check.***
- ✓ ***DMV estimates that 90% to 95% of all customers will be mailed licenses within 3 to 5 days***
- ✓ ***Other customers may require further research***



Key points of central issuance (continued)

- ✓ ***If customer identification issue is not resolved within 10-15 days, DMV will automatically extend temporary license another 20 days pending resolution of identity issue***
- ✓ ***Driver License will be mailed to the customer's residence address as required by statute***
- ✓ ***License will be mailed first class "return postage guaranteed"***
- ✓ ***Returned mail will be researched to determine if fraudulent address was provided or human error in address***



Key points of central issuance (continued)

- ✓ ***Roll-out of central issuance system will begin July 1, 2008***
- ✓ ***Roll-out will take approximately 60 to 90 days***
- ✓ ***Central issuance will be handled in a secure site***



Issues Raised about Central Issuance

Customer cannot receive mail at residence:

Discussion with U.S. Postal Service indicates that about 150 small towns do not offer delivery to the residence address. Those customers must get mail at post office.

DMV is researching use of postal software that would flag those towns where street delivery is not available.

Alternative deliver methods will also be researched, e.g. Federal Express, UPS, etc.

Technical amendment may be needed in 2008 session to address persons without residential delivery



Issues Raised about Central Issuance (continued)

Customer lives in a Homeless Shelter:

Under NCGS 37.7(d) a homeless person may obtain a no-fee identification card by presenting “a letter to the Division from the director of a facility that provides care or shelter to homeless persons verifying that the person is homeless.”

Under existing procedure, DMV uses the address of the homeless shelter as the address on the identification card

With central issuance, the Division will mail the identification card to the homeless facility that verified that the applicant is homeless



Issues Raised about Central Issuance (continued)

Customer is concerned about theft from mailbox:

DMV recognizes the customer's concerns about theft, but in DMV's experience mailing almost 1 million duplicate licenses, we have not encountered problems of theft of mail

Other states using central issuance have not reported problems of this nature



Issues Raised about Central Issuance (continued)

Customer is enrolled in Victim Protection Program

***DMV follows the program established through the
N.C. Attorney General's office for protecting
victims of domestic violence***

***DMV would use the address of this program for the
residency address, as is the current practice***



Benefits of Central Issuance

- ✓ ***Reduces incidents of residency fraud (verification of residence address is difficult using existing software)***
- ✓ ***Analysis by AAMVA concludes: “ Customer address is also ‘verified’ to a degree by the central system. The customer gives a delivery address and the finished card is sent there. The successful delivery is an indication of a valid address.”*** (American Association of Motor Vehicle Administrators, “White Paper on Over-The Counter, Central and Hybrid Issuing Systems,” copyright, 2003, AAMVA.)
- ✓ ***Provides DMV more time to verify identity using face recognition technology***



Benefits of Central Issuance (continued)

- ✓ ***Will make it easier and less costly for DMV to implement REAL ID Act***
 - ❑ **REAL ID Act requires extensive security procedures for facilities producing licenses. With over-the-counter issuance, DMV would have to implement additional security procedures in 100+ facilities. With central issuance, only one site has to be “hardened.”**
 - ❑ **REAL ID Act “full compliance” will require verification of source documents (birth certificates, passports, etc.) which can more easily be completed through central issuance process**

- ✓ ***Allows better quality control and consistency in production of card***



Implementation of REAL ID Act

- ☐ ***Federal law passed May 11, 2005***
- ☐ ***Effective date, May 11, 2008***
- ☐ ***Effective May 11, 2008, residents of states with non-compliant licenses can be denied entry to federal facilities and access to commercial planes***
- ☐ ***Notice of Proposed Rule Making issued March 2007***
- ☐ ***Final rules issued January 11, 2008***



Implementation of REAL ID Act (continued)

- ☐ Rule provides that states may file extension request to become compliant**
- ☐ North Carolina has requested and has been granted an extension**
- ☐ With extension, states must issue “materially compliant” licenses by January 1, 2010**
- ☐ NGA voted unanimously to not proceed with REAL ID implementation without federal funding (\$4 billion over 10 years)**



Implementation of REAL ID Act (continued)

- ☐ ***“Material Compliance” measured by 18-point check list of standards issued by DHS***
- ☐ ***North Carolina believes it can be materially compliant by late 2008 (target date December 1, 2008)***
- ☐ ***Becoming “materially compliant” sooner rather than later can avoid a possible surge in customers in 2014***



Implementation of REAL ID Act (continued)

- ☐ States must reach “full compliance” by May 11, 2011**
- ☐ Effective Dec. 1, 2014, persons born on or after Dec. 1, 1964 must be issued REAL ID compliant licenses or ID’s to enter federal facilities, board planes, etc.**



Implementation of REAL ID Act (continued)

- ❑ Dec. 1, 2014 date creates a potential for surge of customers in 2014 trying to get compliant licenses (persons with 8-year licenses that expire in 2015, 2016, 2017)***
- ❑ Effective December 1, 2017 ALL Persons must be issued REAL ID compliant licenses and ID cards***



Impact of REAL ID on Customer Service and Operations

Beginning with target date for material compliance (Dec. 1, 2008?) ALL customers must establish (or re-establish) their identity, residency in North Carolina, and lawful presence

All customers must sign a written declaration (application) under penalty of perjury (current process in paperless)

Re-establishment of ID/Residency/Lawful presence during “material compliance” phase will add about 1 minute to the transaction time for 1.95 million customers



Impact of REAL ID on Customer Service and Operations (continued)

Review and signing of paper declaration/application for all customers takes about 1 minute each with 3.25 million customers

DMV must take photos of unsuccessful applicants, about 650,000 persons annually, with 1 minute additional time

Initially some documents will be scanned in order to aid HQ staff in verifying documents



Impact of REAL ID on Customer Service and Operations (continued)

All DMV staff involved in determining eligibility for a license or producing licenses (examiners, HQ staff, Hearing Officers, etc.) must be fingerprinted and undergo a criminal background check

Driver License or ID card must be “branded” or marked as acceptable for official purposes, using DHS established criteria for “branding”



Impact of REAL ID on Customer Service and Operations (continued)

REAL ID Act allows option of issuing non-compliant licenses, provided they are so branded

NC DMV does not intend to issue non-compliant licenses after implementation if federal resources are made available



Impact of REAL ID on Customer Service and Operations (continued)

Impact beginning with Full Compliance in 2010/2011:

Verify key documents with issuing agencies

- ☐ **Birth certificates**
- ☐ **Consular reports of births abroad**
- ☐ **Naturalization papers**
- ☐ **U.S. Visa**
- ☐ **US Passports**



Impact of REAL ID on Customer Service and Operations (continued)

Impact beginning with Full Compliance ...

Verify driver licenses & ID cards issued in other states and make sure applicant is terminating license in other state using an automated verification process to be developed.

Image all documents or retain paper copies



Impact of REAL ID on Customer Service and Operations (continued)

Impact beginning with Full Compliance ...

New Driver License Card Production System is being designed to meet requirements of REAL ID Act

RFP for new system to be issued in spring 2008 for implementation in 2010-2011



QUESTIONS?

